

**TOWN OF OLD SAYBROOK**

302 Main St.  
Old Saybrook, CT 06475

**PENSION AND BENEFITS BOARD**  
Thursday, September 28, 2017 6:30 PM  
First Floor Conference Room

**In Attendance**

Board Members: Suzanne Taylor (Chairperson), Lynn Dallas (via conference call), Carl Fortuna, Ray Muratori, Paul Tracey, Rowena Moffett. Consultants: Lee Ann Palladino (Finance Director), Janet Vinciguerra (Accounting Liaison), Tom Forma and Kevin Nichols (Morgan Stanley). Others: Timothy Kellogg (Recording Secretary).

**Welcome and Public Comment**

Chairperson Taylor called the meeting to order at 6:31 PM. No public was present for comment.

**Minutes**

The regular meeting minutes of June 22, 2017 were reviewed. A **motion** was made by Paul Tracey and seconded by Ray Muratori to approve the minutes as presented. All in favor. Minutes approved as presented. In discussion of the minutes it was noted that the resolution for Ron Baldi is still pending and in need of completion.

**Chair's Report**

Chairperson Taylor highlighted an article from The New Yorker, "Is Healthcare a Right". She also noted a P&I article about 457 plans which found ICMA favorably ranked.

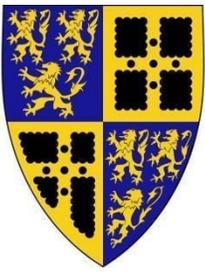
Chairperson Taylor shared an account of her presentation at the Opal Public Funds Conference held last July in Newport, R.I. She also provided a summary of the panel of public fund trustees she moderated, which was recorded by Tom Forma for distribution.

Chairperson Taylor presented a copy of her completed year end annual report of the Pension and Benefits Board to be included in the Town's Annual Report. No suggestions for change were made.

Chairperson Taylor noted that J.T. Dunn forwarded the annual official Fire Department membership for the town's records.

**Investment Reports and Issues**

Tom Forma and Kevin Nichols of Morgan Stanley provided a report on the time weighted performance summary, noting an 11.6 return for the previous fiscal year. Kevin reported that returns are above the assumed rate of return. He emphasized downside protections. Discussion of the investment policy and a possible asset allocation study took place. Lee Ann Palladino will provide some recommendations at a future meeting.



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Tom Forma provided a fee presentation and a fiduciary topics calendar for review. Highlights included fees and proposed topics, risk, cash flow and asset allocation. Discussion of scheduled events took place. Kevin Nichols explained the fee breakdown and noted that there are no additional fees on top of that. Tom discussed some of the processes involved in Morgan Stanley's services. Follow up discussion took place. Discussion of risk took place.

**ICMA Annual Fiscal Year End Report for the 457 Plan**

Paul Tracey provided an annual report for the ICMA 457 plan. There are 43 participants (38 active and 5 separated from service). Investments divided 59% to 41% between cash and bonds and stocks. There's an estimated performance of 12% for stock returns. YTD growth has been 7.1%. Discussion of fees took place. Brief discussion of police retirements took place. Related discussion of online benefits access took place. Mr. Tracey noted that the Contra fund is the most popular followed by the S&P500.

**Status of ICMA New Defined Contribution Plan**

Lee Ann Palladino and Janet Vinciguerra shared the DC 401a plan booklet. Two employees are signed up already. Discussion took place. Janet shared the enrolment process for new participants. Discussion of how to provide information to new participants took place. Carl Fortuna will produce and provide a plan summary for employees.

**Further Consideration of OPEB Options**

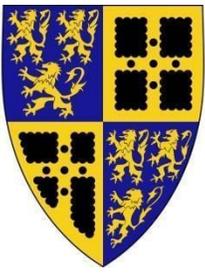
Discussion of OPEB matters continued from the June meeting. Discussion of accrued liabilities took place. Chairperson Taylor shared a letter from the actuary about GASB requirements. Discussion of GASB requirements took place. Discussion of OPEB funds and the future longevity of the funds took place. Discussion of alternative options for the funds took place.

A **motion** was made to move the OPEB funds into the defined benefit town pension plan by Paul Tracey and seconded by Ray Muratori. Discussion took place. A vote of five in favor with one abstention (Chairperson Taylor). Motion approved.

**Recent Retiree Deaths and Requests to Retire: Janet Vinciguerra.**

Janet Vinciguerra gave a retirements and pension payroll status report. Janet reported on retiree and employee deaths, new employees, retirements since July 1, 2017, pension payroll, employee contribution refunds, upcoming retirements and other miscellaneous items (including the 401a plan enrollment booklet noted above). Discussion of an early retirement matter took place. Carl Fortuna will follow up with the retiree's family.

**Director of Finance Report**



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Lee Ann Palladino presented a draft RFP for actuarial services to be discussed at the October meeting.

Board expenditures so far this year along with those for the prior fiscal year will be presented at the next meeting. Discussion of bids and subcommittees took place. Discussion of disability insurance concluded that it appears to be unaffordable to provide for those in the DC plan.

**Appointment of Pension Plan Administrator**

Lee Ann Palladino distributed a memo on the duties of the Plan Administrator for the board's review. A recommendation to appoint Lee Ann Palladino as the Pension Plan Administrator was put before the board by Paul Tracy and seconded by Carl Fortuna. The motion was unanimously approved. Discussion of having a subcommittee to develop the plan administrator's job description took place. It was decided to hold the discussion at the next meeting of the board.

**Health Insurance Changes and Costs**

Carl Fortuna reported on the annual pension contribution and benefit update presented to the board. He noted changes to healthcare cost shares and benefits. Employee cost share increases a point per year. Discussion of sick time allocations took place.

**Old Business**

No items discussed.

**New Business**

No new business.

A **motion** was made to adjourn by Paul Tracey and seconded by Carl Fortuna. Meeting adjourned at 8:35 PM.

Next Meetings: Thursday, October 26 and Thursday, November 16, 2017

Respectfully Submitted,

Timothy Kellogg,  
Board Secretary